ANNUAL REPORT AND FINANCIAL STATEMENTS
2009-2010

SASKATCHEWAN SNOWMOBILE FUND
FOR THE FISCAL YEAR ENDING MARCH 31, 2010

SASKATCHEWAN SNOWMOBILE ASSOCIATION INC.

INTRODUCTION:

The Saskatchewan Snowmobile Fund (Fund), also called the Trail Fund, was established under *The Snowmobile Act* (Act). The fund provides money for designation, supervision, construction, maintenance, administration, control and operation of designated snowmobile trails.

The legislative authority for the Fund and the specific provisions of the Fund are found in The Act and the Regulations thereunder.

Pursuant to The Act, the Minister appointed the Saskatchewan Snowmobile Association Inc. (SSA) to administer the Fund.

FUND PURPOSE

The Snowmobile Fund is administered by the Saskatchewan Snowmobile Association Inc. (Trail Fund Manager).

The Fund provides on-going funds required to operate and maintain safe snowmobile trails in Saskatchewan.

The Fund distributes monies to eligible clubs to maintain and groom snowmobile trails based on a formula agreed upon by all SSA member clubs.

During the 2009-2010 fiscal year, a total of 47 clubs received $605,000 to maintain 9,169 km of trail.

COMPARATIVE FIGURES:

	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
# of Clubs Funded	47	46	43	45	49
Amount Paid to Clubs	605,000	587,000	590,000	348,440	264,855
# of KM maintained	9,169	8,165	8,410.5	6,976	8,292
SGI Snowmobile Registrations	17,428	19,788	17,980	17,606	12,076

MANAGEMENT OF KEY RISKS:

Public Awareness

* This past season snowmobile sales declined by 27%
* This past season snowmobile registrations declined by 12%

Several factors are related for the decline, downturn in the economy, lack of early snow, low snow in Zone 1 and the increase in the registration fee.

Safety Promotion

The trail fund continues to promote the Snowmobile Safety Course, Don't Drink and Ride, and Always Wear a Helmet. The single largest contribution to snowmobile safety is the provincial snowmobile trail system. The trails offer a safe environment to operate a snowmobile. Risks can be reduced up to 66% when using the trails.

Enforcement

Enforcement is slowly beginning to develop for snowmobiling throughout the province. Labor standards states police officers must take formal training. As training takes place enforcement increases; as enforcement increases, violations are reduced. Two areas or issues that must be dealt with are Alcohol and Speed. Often times the two are combined resulting in accidents. These two are the leading cause of injuries and fatalities.

Fleet Management

This position is a valuable tool for the overall operation of the trail fund. The Fleet Manager assists the clubs with the operations of the equipment, sharing with neighboring clubs, repairs, and purchasing. The Fleet Manager assists with assessment of needs, grooming scheduling, employment, labor standards and safety.

Electronic Monitoring

This past season the trail fund was required to work with the clubs to install electronic monitors (GPS) in the snow-cats. After searching out the industry it was thought a supplier was found. Following installation of the units into the snow-cats the supplier reported the units were not recording service. Following testing of the system it has been determined that Saskatchewan at this time does not have a system that will support a server. Meetings are ongoing with the supplier to return the units and a search is on to find a supplier that will soon have a system in place to support the required needs.

Trail Inspection

A renewed trail inspection program is in place that sees the operations of each club reviewed during the season. This program looks at trail signs and their placement, trail sign quality, safety shelters, trail grooming and the assurance the clubs meet the requirements of the trail fund guidelines that include the trail signing manual.

Reporting
Clubs are now required to provide more detailed reporting. The objective is to assist with evaluations of costs and to allow for efficiencies and reduce operating cost for the clubs where available.

Insurance
A review is underway for the required insurance needs of the trail fund, equipment, buildings and operations of the snowmobile trail system in the province. The Request for Proposals should be completed by mid July/2010 and in place for the due date of August 1/2010.

Fraud
As Trail Fund Manager the SSA follows the guidelines of Saskatchewan Finance, Financial Administration Manual. The manual outlines the financial requirements which include fraud, and reporting of fraud.

Management's Responsibility for Financial Statements

The Saskatchewan Snowmobile Association (Association) is responsible for establishing and maintaining a system of internal control, complying with authorities and maintaining the Saskatchewan Snowmobile Fund's (Fund) financial records and financial statements. The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles.

The Association's Board oversees management in the performance of its financial reporting duties.

The Provincial Auditor of Saskatchewan annually examines the Association's system of internal control, compliance with authorities and the Fund's financial statements. A copy of the Provincial Auditor's opinion on the financial statements is enclosed.

Chris Brewer
President / CEO
Saskatchewan Snowmobile Association Inc.
Regina Beach, Saskatchewan
July 7, 2010

SASKATCHEWAN SNOWMOBILE FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2010

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Snowmobile Fund as at March 31, 2010 and the statements of operations and accumulated surplus, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 25, 2010

Brian Atkinson, FCA
Acting Provincial Auditor

Saskatchewan Snowmobile Fund
STATEMENT OF FINANCIAL POSITION

STATEMENT 1

As at March 31

	2010	2009
FINANCIAL ASSETS		
Cash	$ 2,509	$ ---
Accounts receivable (Note 8)	29,387	20,520
Investments (Note 5)	1,139,313	742,598
GST receivable	2,370	2,296
	1,173,579	765,414
LIABILITIES		
Bank indebtedness	$ ---	$ 1,131
Due to Saskatchewan Snowmobile Association	113,594	103,460
Accounts payable	41	1,434
	113,635	106,025
Net Financial Assets	1,059,944	659,389
NON FINANCIAL ASSETS		
Tangible capital assets (Note 3)	$ 815	$ 1,474
Accumulated Surplus (Statement 2)	$ 1,060,759	$ 660,863

(See accompanying notes to the financial statements)

Saskatchewan Snowmobile Fund **STATEMENT 2**
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year Ended March 31

	2010		2009
	Budget (Note 6)	**Actual**	**Actual**
REVENUES			
Transfer from General Revenue Fund – Ministry of Tourism, Parks, Culture and Sport (Note 1)	$ 1,155,000	$ 1,198,990	$ 791,520
Interest & other revenue	20,000	5,323	6,496
Total Revenues	1,175,000	1,204,313	798,016
EXPENSES			
Trail funding to clubs	905,810	605,000	587,000
Liability insurance	26,000	25,434	23,094
Administration (Note 7)	107,700	113,146	106,720
Travel and meetings	20,000	12,231	11,391
Marketing and promotion	24,000	25,455	20,116
Safety expenses	91,490	23,151	23,021
Total Expenses	1,175,000	804,417	771,342
Surplus for the Year	$ 0	399,896	26,674
Accumulated Surplus, beginning of year		660,863	634,189
Accumulated Surplus, end of year – to Statement 1		$ 1,060,759	$ 660,863

(See accompanying notes to the financial statements)

Saskatchewan Snowmobile Fund
STATEMENT OF CASH FLOWS

STATEMENT 3

Year Ended March 31

	2010	2009
Cash flows from (used in) operating activities:		
Receipts from General Revenue Fund – Ministry of Tourism, Parks, Culture and Sport	$ 1,194,724	$ 782,400
Receipts of interest and other revenue	722	6,496
Payments to suppliers	(177,860)	(149,510)
Payments for travel and meetings	(12,231)	(11,391)
Payments to clubs for trail funding	(605,000)	(587,000)
	400,355	40,995
Cash flows from (used in) investing activities:		
Purchase of investments	(1,157,722)	(747,496)
Sale of investments	761,007	702,000
	(396,715)	(45,496)
Net increase (decrease) in cash	3,640	(4,501)
Cash, beginning of year	(1,131)	3,370
Cash, end of year	$ 2,509	$ (1,131)

(See accompanying notes to the financial statements)

SASKATCHEWAN SNOWMOBILE FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2010

1. Legislative authority

The Saskatchewan Snowmobile Fund was established pursuant to section 20.7 of *The Snowmobile Act*. The Fund's purpose is to provide funding for designation, supervision, construction, maintenance, administration, control and operation of designated snowmobile trails. The Minister responsible for *The Snowmobile Act* appointed the Saskatchewan Snowmobile Association Inc. to administer the Fund as trail manager. The trail manager is responsible for establishing the trail funding allocation criteria for the distribution of the money in the Fund to the snowmobile clubs who maintain the trails.

Pursuant to an agreement with the Ministry of Tourism, Parks, Culture and Sport, the Ministry is committed to provide yearly grants to the Fund. The grant is determined on the number of snowmobile registrations in the province multiplied by the permit fee described in *The Snowmobile Regulations 1998*.

2. Significant accounting policies

These financial statements are prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants as the fund is classified as an other government organization. The following accounting principles are considered significant:

a) Tangible capital assets

Individual capital assets costing more than $500 are capitalized. Amortization of these capital assets commences in the year of acquisition and is calculated on the straight-line basis over their useful lives as follows:

Furniture & equipment	5-10 years
Computer equipment	3 years

b) Investments

Investments are recorded at cost.

c) Trail funding to clubs

Trail funding to clubs is recorded as an expense when funding requests have been approved and the clubs have met the eligibility criteria.

d) Revenue

Trail permit revenue is recognized when the permit is issued.

Transfer from the General Revenue Fund – Ministry of Tourism, Parks, Culture and Sport is recognized based on the annual snowmobile registration fees

collected by Saskatchewan Government Insurance and remitted to the General Revenue Fund.

e) Use of estimates

These statements are prepared in conformity with generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

3. Tangible capital assets

	2010			2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture & equipment	$ 2,718	$ 1,903	$ 815	$ 1,358
Computer equipment	3,491	3,491	0	116
	$ 6,209	$ 5,394	$ 815	$ 1,474

4. Financial instruments

The Fund's financial instruments include cash, accounts receivable, investments, accounts payable, GST receivable, and due to Saskatchewan Snowmobile Association. Information about the fair value of investments is disclosed in Note 5. The fair value of the other instruments approximates their carrying value due to their immediate or short-term nature. Credit risk from the potential non-payment of accounts receivable is minimal because the Fund's receivable is from the General Revenue Fund – Ministry of Tourism, Parks, Culture and Sport.

5. Investments

The Fund holds units in the RBC Canadian T-Bill Fund, which invests in high quality, short-term debt securities such as treasury bills. The RBC Canadian T-bill Fund has no fixed interest rate and its returns are based on the success of the fund manager. The fair value of investments approximates their carrying value due to their short-term nature.

6. Budget

The budget was approved by the Board of Directors of the Saskatchewan Snowmobile Association Inc.

7. Administration

The Saskatchewan Snowmobile Association Inc. incurs the accommodation, salaries, and some operating costs associated with administering the Fund. These costs are allocated to the Fund based on the time staff spends to administer the Fund. The Fund then pays Saskatchewan Snowmobile Association Inc. for these costs. The Fund also

incurs certain operating costs directly. The costs allocated by the Saskatchewan Snowmobile Association Inc. and the direct costs of the Fund were as follows:

	2010			2009
	Allocated costs	Direct costs	Total	Total
Salaries	$72,826	$ 390	$73,216	$ 69,302
Postage	30	5,989	6,019	6,351
Rent	5,023		5,023	5,384
Telephone	4,320		4,320	4,230
Computer maintenance	4,847		4,847	1,254
Marketing	424		424	750
Trade shows	-		-	236
Professional services	953	221	1,174	901
Amortization	-	659	659	775
Office supplies	1,393	544	1,937	3,359
Printing	1,024	1,128	2,152	1,519
Office insurance	941		941	1,150
Bank charges	388	131	519	523
Membership dues	1,562		1,562	1,282
Board expenses	4,182		4,182	5,257
Staff training	339		339	369
Club expenses	4,055		4,055	3,093
Meeting expenses	1,229		1,229	507
Other	-		-	-
Staff travel	548		548	478
	$ 104,084	$ 9,062	$113,146	$106,720

8. Related parties

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. Accounts receivable includes $26,320 (2009 - $20,520) from the General Revenue Fund – Ministry of Tourism, Parks, Culture and Sport. Expenses include $4,320 (2009 - $4,230) paid to related parties for certain services during the year.

In addition, the Fund pays Saskatchewan Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions and amounts due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

PAYEE LIST FOR THE FISCAL YEAR 2009-2010

SUPPLIERS RECEIVING $20,000.00 OR MORE

Saskatchewan Snowmobile Association

Third Party Liability Insurance	25,434
Administration & Wages	104,084

TRAIL FUND PAYOUT BASED ON SNOWMOBILE REGISTRATIONS RECEIVED IN THE 2008-2009 SNOWMOBILE SEASON

TRAIL FUND PAYOUT

#	Club Name	Total Paid Aug. 2009
1	Archerwill Drift Riders	9,514.50
2	Battlefords Trail Breakers	24,171.33
3	Border Explorers Snowmobile Club	6,645.49
4	Broadview Snow Busters	7,189.97
5	Calling Lake Cruisers	18,451.93
6	Candle Lake Sno Drifters	23,650.12
7	Canwood Sno-Blazers	6,896.79
8	Chitek Lake Bush Buddies Inc.	8,795.50
9	Crossroads Sno-Diggers	3,085.41
10	Cupar Snowmobile Club	8,711.73
11	Elbow Lake Sno Drifters	2,866.68
12	Esker Bear Trails Inc.	24,720.47
13	Esterhazy Super Sledders	5,919.51
14	Estevan Snowmobile Club	7,199.28
15	Goodsoil Ridge Riders	7,539.00
16	Grenfell Snowdrifters	4,756.08
17	Hudson Bay Trail Riders	42,739.61
18	Kamsack Snow Drifters	6,031.20
19	Kelvington Trailblazers	28,925.09
20	Lakeland Snowmobile Club	21,174.35
21	Last Mountain Lake Drifters	13,700.49
22	Leoville Snow Drifters Inc.	5,491.37
23	Melfort & District Trail Riders	17,200.09
24	Mistatim Snow Packers	11,392.26
25	Moose Mountain Snowmobile Club	26,125.89
26	Naicam Snowblasters Inc	15,729.52
27	Northern Lights Snowmobile Assoc.	9,847.24
28	Pasquia Snow Goers	18,391.43

29	Porcupine Trail Blasters Inc.	11,378.30
30	Prairie & Pine Sno Riders Inc.	14,966.31
31	Prairie Prowlers Inc.	1,898.71
32	Rhein Sno Cruzers	2,238.43
33	Rough Riders Snowmobile Club	17,423.46
34	Saskatoon Snowmobile Club	13,681.89
35	Showstoppers Snowmobile Club	10,684.90
36	Souris River Snowmobile Club	3,294.82
37	S.E. Sask Stubble Jumpers	16,432.23
38	Springside Snowmobile Club	2,056.94
39	Thickwood Trails Snowmobile Club	20,457.68
40	Timber Trails Sno Riders	10,950.16
41	Tisdale Snowmobile Club	8,264.98
42	Trakkers Snow Club	5,165.61
43	Tri-Valley Trails Inc.	13,812.19
44	Twin Lakes Trail Blazers	16,013.39
45	Weekes Bush Pushers Club Inc.	5,733.36
46	Whiteswan Snow Hawks	9,284.14
47	Yorkton Sno-Riders Club Inc.	34,400.17
	TOTAL	**605,000.00**

CLUBS PAID IN AUGUST 2009

Note: Payout in August 2009 is from registrations received in the 2008-2009 Fiscal Year Ending March 31, 2009.